are bulk loans which are utilised by the concerned State Government for various housing schemes all over the State.

(b) to (d) LIC disburses loans to the State Governments for housing sector on the basis of allocation made by the Planning Commission and demands received from the Housing Finance Societies of the State Governments.

Proper credit share to Tiny Industrial Sector

2262. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to earmark a proper share of credit to the tiny industrial sector within the priority sector lending by banks and public financial institutions in the country particularly in Maharashtra;

(b) if so, the details thereof;

(c) whether any guidelines have been issued in this regard;

(d) if so, the details thereof; and

(e) how Government have ensured strict compliance of these guidelines by banks and financial institutions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) Reserve Bank of India (RBI) has prescribed a target for public sector banks to extent 40 per cent of their net bank credit as priority sector advances comprising various sectors including small scale industries (SSI) for country as whole. No separate state-wise taregts have been prescribed.

RBI in the credit policy for first half of 1997-98 has announced that out of funds available to all segments of the SSI sector, banks should ensure that 40 per cent will be made available for units with investment in plant and machinery upto Rs. 5 lakh, 20 per cent for units with investment between Rs. 5 lakh and Rs. 25 lakh and the remaining 40 per cent for other SSI units.

Investigations into the working of Foreign Exchange dealers

2263. SHRI GHUFRAN AZAM:
SHRI KRISHNA KUMAR BIRLA:
SHRI YERA NARAYANASWAMY:
SHRI K. M. SAIFULLAH:

Will the Minister of FINANCE be pleased to state:

(a) whether the revenue intelligence agencies have launched country-wide investigations into the working of many foreign exchange dealers;

(b) if so, whether it has also come to the notice of Government that several foreign exchange dealers are involved in illegal withdrawal of foreign exchange worth crores of rupees using forged documents;

(c) if so, the facts and details thereof; and

(d) steps taken by Government to curb the illegal activities of foreign exchange dealers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) During 1996-97 the Enforcement Directorate has initiated investigations against 11 authorised dealers/money changers in the cases relating to suspected violations of the provisions of Foreign Exchange Regulation Act, 1973 (FERA).

(b) and (c) The Enforcement Directorate has taken up investigations relating to withdrawal of foreign exchange by some money changers/authorised dealers suspectedly

against forged documents. Adjudication proceedings have been initiated in five such cases.

(d) The Government keeps a constant vigil to keep a check on the illegal activities of the foreign exchange dealers.

Fraud in Dena Bank

2264. SHRI GHUFRAN AZAM:
SHRI KRISHNA KUMAR BIRLA:
SHRI O. P. KOHLI:
SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE:
SHRI RAJUBHAI A. PARMAR:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether the CBI has unearthed a fraud in Dena Bank to the tune of Rs. 31 crore as reported in the Statesman and Hindustan Times dated 30th June, 1997; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Reserve Bank of India (RBI) has reported that a fraud involving Rs. 31.79 crores was reported by Dena Bank during the last week of June, 1997, at its Mumbai (Gulalwadi) branch. The fraud came to light when the bank initiated steps to reconcile huge difference in the balance with the central clearing department account at the Gulalwadi and the service branch. A group of companies had opened accounts both with Dena Bank's Gulalwadi branch as well as United Bank of India's Kalbadevi branch. Cheques drawn on the accounts in the United Bank of India, Kalbadevi branch were deposited in their accounts with Gulalwadi branch of Dena Bank. The parties were unauthorisedly accommodated by Gulalwadi branch of Dena Bank by giving immediate credit to the account-holders and the instruments were sent for clearing with delay which in some cases was 7—10 days. The parties were also favoured unauthorisedly so as to have their cheques cleared through the clearing mechanism for high value clearing branches although the Gulalwadi branch did not fall in the area of high value clearing branches. 49 cheques aggregating to Rs. 31.04 crores were afforded credit in November-December, 1996 and the cheques were not sent for clearing thereby fraudulently siphoning off banks' funds. The branch copy of outward clearing schedules was also manipulated.

Two officers of the Gulalwadi branch of Dena Bank have been placed under suspension. The bank has initiated action to look into the role of other officers also. Central Bureau of Investigation have also registered a regular case in this regard and have arrested two officials of the bank as well as one private person.

Government's share holding in State Bank of India

2265. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Government have diluted its share holding in State Bank of India;

(b) if so, the details thereof;

(c) how Government monitor the management of the State Bank of India;

(d) whether it is a fact that complaints and representations pertaining to SBI are being ignored by Banking Department; and